

INSTRUCTIONS FOR COMPLETING WASHINGTON AIRCRAFT FUEL DISTRIBUTOR JET FUEL TAX AND AVIATION GAS TAX RETURNS

Filing Frequency

- Returns must be filed monthly. **If both Jet Fuel and AV Gas is distributed, separate tax returns for each must be filed.** Payment of the net amount due the state (Line 15) must accompany the return. If the tax amount owing is fifty thousand dollars (\$50,000.00) or more, you **MAY** pay by electronic funds transfer.
- Tax Returns are required even if no operations were conducted during the reporting period.
- Tax Returns are due on or before the twenty-fifth day of the month following the end of the reporting period. The postal service postmark on the mailing envelope is used as the day of return receipt. Returns postmarked after the due date will be assessed a penalty of 10% of the tax due. If postmarked after the end of the month, interest accumulated at 1% per month will be charged. A Certificate of Mailing or a Receipt for Certified Mail can be used to establish the mailing date.

Records

- Every aircraft fuel distributor making sales or deliveries of Jet Fuel or Aviation Gas and every person receiving and purchasing aircraft fuel must retain one copy of each invoice as part of their permanent records for a period of five (5) years after the filing date of the return.

Disclosure

- Information provided on this return may be disclosed to the Internal Revenue Service, other states and Canadian Provinces.

General Information

- Your NAME, LICENSE NUMBER and ADDRESS must appear on the tax return. If the Return does NOT have a pre-printed label, print name and license number as shown on your Aircraft Fuel Distributor's License. You must notify the Fuel Tax Section if your address or business name changes. If the business is sold, a new application is required.

- Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 7 or on schedules A and B.
- In completing the tax return, negative or credit amounts must be enclosed in parenthesis.
- Person signing tax return must be authorized by the company to do so.

Instructions for Completion of Tax Return

- Enter the month and year for which the tax return is being submitted.
- Place an "X" in any boxes that apply.
- **No Operations This Period:** If you had no activity during the reporting period, you must still file a return. No operation returns must be filed in order to avoid revocation of your Aircraft Fuel Distributor License. Your beginning physical fuel inventory must agree with the ending physical fuel inventory from the last return filed.
- **Amended Returns:** Corrections made for a previous tax reporting period must be made on a separate tax return and not incorporated into the tax return due for the current reporting period. An amended tax return must be completed as if you were filing the original tax return (not the changed amounts only).

The procedures for calculating penalty, interest and net amount due are different for amended returns than for originals. For amended returns, use a worksheet to subtract (from Line 9) any payments you sent on or before the due date for the reporting period. If the net figure is a credit, no additional interest or penalty is due. If that net figure is a positive number, multiply it by 10% and enter the result on Line 10.

To compute the interest, take the net figure you used for computing the penalty and then add the penalty amount on Line 10 to it. Then take that result and multiply it by 1%. Enter this amount on Line 12 if your amended return

is being filed within the first month after the reporting period. If you are filing your amended return on or after the first day of the second month (or thereafter), interest must be compounded at the rate of 1% per month until the date of payment. Compute the interest due and enter on Line 12. To compute the Net Amount Due on Line 15, use the standard formula shown on the tax return by subtracting Line 13 from Line 14.

Depending upon the number of payments and other circumstances, the calculation of penalty and interest can be complex. If you would like the Department to calculate the amount of penalty and interest for you, please leave Lines 10 and 12 blank. The Department will make this calculation and will bill or credit you for the difference. Complete the remainder of the tax return as instructed.

- **Late Returns:** Requires payment of penalty and interest if taxes are due.
- **Name Change:** Provide correct name. If business has been sold, a new application for license must be completed.
- **Address Change:** Provide correct mailing address.
- **Cancel License/Ceased Operations:**
To cancel your license, please provide an effective date. The effective date must be the actual date you ceased business operations or the date you wish to surrender your license. If the date is not furnished, your license will not be canceled.

Instructions for Completion of Tax Return - by Line Item

Line 1 Enter Washington bulk (physical) inventory, for the beginning of reporting period (must be ending physical inventory reported from previous return).

Line 2 Prepare Schedule A - Fuel Received worksheet on reverse of tax return.

Schedule A - Fuel Received

Line A1 Enter **ALL** aircraft fuel gallons received on which you have **paid the Washington Aircraft Fuel Tax**. Transfer total of Line A1 gallons received tax-paid to Line 7 on the front side of the tax return. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to return.

Line A2 Enter **ALL** aircraft fuel gallons received from Washington Licensed Aircraft Fuel Distributors on which you have **not paid the Washington Aircraft Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to return.

Line A3 Enter **ALL** aircraft fuel gallons imported into Washington and shipped directly to customer. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental schedule and attach to return.

Line A4 Enter **ALL** aircraft fuel gallons imported into Washington and placed into tax-free storage facilities. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to return.

Line A5 Enter **ALL** aircraft fuel gallons received from any other source on which you have **not paid the Washington Aircraft Fuel Tax**. A detailed listing must be provided on a separate sheet explaining "other" fuel receipts. A separate sheet must be prepared for each receipt category reported as "other." The total of all supplemental schedules will comprise the total entered on Line A5.

Transfer Total Fuel Received (Schedule A - sum of Lines A1 through A5) to Line 2 on the Front Side of the Tax Return.

Line 3 Enter your ending "physical" inventory at the end of tax return period.

Line 4 Enter Total Accountable Gallons (sum of Line 1 plus Line 2 minus Line 3).

Line 5 Prepare Schedule B - Tax Exempt Gallons worksheet on reverse of tax return.

Schedule B - Tax Exempt Gallons

Line B1 Enter number of aircraft fuel gallons sold non-taxable to Washington Licensed Aircraft Fuel Distributors. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to return.

Line B2 Enter number of aircraft fuel gallons sold and delivered by you (or a common carrier hired by you) and exported from Washington. Include any transfers made from storage in this state to storage outside this state. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and indicate where exports were delivered. Attach supplemental schedule to return.

Line B3 Enter number of aircraft fuel gallons sold by you in Washington to unlicensed purchasers who exported the fuel in their own transportation equipment or by common carrier. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule showing export sales to unlicensed purchasers and attach to return.

Line B4 Enter number of aircraft fuel gallons sold to U.S. Government agencies.

Line B5 Enter number of aircraft fuel gallons sold to Washington Certified Users who qualify for an exemption under WAC 307-78. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to return.

Line B6 Enter number of aircraft fuel gallons sold and placed directly into aircraft fuel tanks of equipment operated by air carriers and supplemental air carriers operating under part 121 of the FAA regulations, local service air carriers operating scheduled service under either part 121 or 135 of the FAA regulations, and foreign flag carriers. Please refer to WAC 307-78. No schedule is required.

Line B7 Enter number of aircraft fuel gallons sold or used for any other exempt purpose. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule to itemize this entry and attach to return.

Transfer Total Exempt Gallons (Schedule B - Sum of Lines B1 through B7) to Line 5 on the Front Side of the Tax Return.

Line 6 Equals Line 4 minus Line 5.

Line 7 Total Washington tax-paid purchases transferred from Schedule A, Line 1.

Line 8 Equals Line 6 minus Line 7. This is the net taxable gallons on which you owe tax or net credit gallons on which you are owed a refund.

Fuel Tax Liability Computation

Line 9 Result of Line 8 multiplied by the tax rate.

Line 10 If taxes are owed on Line 9 and you are filing a late return (postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 9 by 10% (.10) and enter the result on Line 10.

Line 11 Equals the sum of Line 9 plus Line 10.

Line 12 If the value entered on Line 11 is a positive amount (fuel tax owing and penalty) and you are filing this return on or after the first day of the following month in which the tax return was due, multiply the amount on Line 11 by 1% (.01) and enter on Line 12. No interest is due if the return is postmarked between the 26th day and the last day of the month in which the tax return was due.

If you are filing your return on or after the first day of the second month (or thereafter), interest must be compounded on the amount of tax, penalty and interest due for each month your return is late.

Line 13 Enter your total fuel tax liability. This will be the total of Line 11 plus Line 12.

Line 14 If you have made previous payments on the amount owed, enter that amount on Line 14 in parenthesis.

Line 15 If Line 13 minus Line 14 is greater than zero, enter the Net Amount Due State. Attach check payable to the Washington State Treasurer. Payments must be in United States funds. If you are transmitting taxes due by electronic funds transfer (EFT), please place an "X" in the EFT box. See instructions for making EFT payment.

Line 16 If Line 13 minus Line 14 is less than zero, enter the amount on Line 16. This is a credit amount owed to you. The Department **MAY** request copies of invoices to support amounts claimed for refund.

Please Sign, Date and Give Title of Person Signing and Telephone Number in Spaces Provided.

Mail the return with payment to:

**Department of Licensing
Fuel Tax Section
P.O. Box 9228
Olympia, WA 98507-9228**

For information call (360) 664-1852.